

SUMMARY ANALYSIS OF AMENDED BILL

Franchise Tax Board

Author: O'Connell Analyst: Kristina North Bill Number: SB 680

Related Bills: See Prior Analyses Telephone: 845-6978 Amended Date: August 16, 1999

Attorney: Patrick Kusiak Sponsor:

SUBJECT: 1999 California Land & Water Conservation Act/Qualified Contributions Credit

DEPARTMENT AMENDMENTS ACCEPTED. Amendments reflect suggestions of previous analysis of bill as introduced/amended _____.

AMENDMENTS IMPACT REVENUE. A new revenue estimate is provided.

AMENDMENTS DID NOT RESOLVE THE DEPARTMENT'S CONCERNS stated in the previous analysis of bill as introduced/amended _____.

FURTHER AMENDMENTS NECESSARY.

☒ DEPARTMENT POSITION CHANGED TO NEUTRAL.

☒ REMAINDER OF PREVIOUS ANALYSIS OF BILL AS INTRODUCED FEBRUARY 24, 1999, and AMENDED APRIL 27, 1999, STILL APPLY.

☒ OTHER - See comments below.

SUMMARY OF BILL

This bill would establish the California Land and Water Conservation Act of 1999 within the Public Resources Code and would establish tax credits within the Revenue and Taxation Code. This analysis addresses the provisions of the bill that pertain to the department and the tax credits.

Under the Personal Income Tax Law and the Bank and Corporation Tax Law, this bill would allow a tax credit to taxpayers who donate real property (as defined) to the state, approved local governments, or approved nonprofit organizations designated by the state or local government. The amount of tax credit would be 55% of the fair market value of the qualified contribution and limited to the amount appropriated by the Legislature.

SUMMARY OF AMENDMENT

The August 16, 1999, amendment requires the Secretary of the Public Resources Board to provide the Legislature with an annual list containing the name and total amount of credit approved for each donor and a description of the donated property. The amendment also clarifies that "pass-through entity" includes any limited liability company treated as a partnership. This clarification is unnecessary as partnership includes any limited liability company treated as a partnership. With these additions, the department's prior analyses of the bill as introduced February 24, 1999, and amended April 27, 1999, still apply.

BOARD POSITION

Neutral.

At its July 6, 1999, meeting, the Franchise Tax Board voted 2-0 to take a neutral position on this bill as amended April 27, 1999.

Board Position:

<input type="checkbox"/> S	<input type="checkbox"/> NA	<input type="checkbox"/> NP
<input type="checkbox"/> SA	<input type="checkbox"/> O	<input type="checkbox"/> NAR
<input checked="" type="checkbox"/> N	<input type="checkbox"/> OUA	<input type="checkbox"/> PENDING

Legislative Director

Date

Johnnie Lou Rosas

8/31/1999